

DEEP CREEK UNIT AGREEMENT

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RECITALS

The Working Interest Owners that are parties to this Agreement own interests in oil and gas leases that are subject to this Agreement.

The Commissioner of the Department of Natural Resources, State of Alaska, is authorized by Alaska Statute 38.05.180(p) and (q) and applicable regulations to consent to and approve oil and gas unit agreements to explore, develop and produce state oil and gas resources.

The President of Cook Inlet Region, Inc. (CIRI) has the authority to consent to and approve oil and gas unit agreements affecting oil and gas leases in which CIRI has an interest.

The other Leasehold Royalty Owners who are parties to this agreement are authorized to consent to and approve oil and gas unit agreements affecting oil and gas leases in which they have an interest.

AGREEMENT

In consideration of the mutual promises in this Agreement, the parties commit their respective interests in the Unit Area defined in Exhibits A and B to this Agreement, and agree as follows:

ARTICLE 1: DEFINITIONS

- 1.1 **Alaska Oil and Gas Conservation Commission (AOGCC)** means the independent quasi-judicial agency of the State of Alaska established by the Alaska Oil and Gas Conservation Act, AS 31.05.
- 1.2 **Approved Unit Plan** means a Unit Plan that has been approved by the Proper Authority.
- 1.3 **CIRI** means the Cook Inlet Region, Inc. created pursuant to the Alaska Native Claims Settlement Act of 1971 (Public Law 92-203, 43 U.S.C. Sec. 1601, et seq., as amended).
- 1.4 **CIRI Land** means land as to which CIRI owns the oil, gas and minerals in and under such land.
- 1.5 **CIRI Lease** means an oil and gas lease covering CIRI Land only.

- 1.6 **Commissioner** means the Commissioner of the Department of Natural Resources, State of Alaska, or the Commissioner's authorized representative.
- 1.7 **Effective Date** means the time and date this Agreement becomes effective.
- 1.8 **Leasehold Royalty Owner** means a party who owns a Royalty Interest under the terms of a lease.
- 1.9 **Oil and Gas Rights** means the rights to explore, develop, and produce Unitized Substances from the Unit Area.
- 1.10 **Outside Substances** means oil, gas, other hydrocarbons or non-hydrocarbon substances purchased or otherwise obtained from outside the Unit Area by the Unit Operator and injected into a Reservoir in the Unit Area with the approval of the Proper Authority.
- 1.11 **Outside PA Substances** means oil, gas, other hydrocarbons or non-hydrocarbon substances purchased or otherwise obtained from one Participating Area in the Unit Area by the Unit Operator and injected into a Reservoir in a different Participating Area in the Unit Area with the approval of the Proper Authority.
- 1.12 **Participating Area** means all Unit Tracts or parts of Unit Tracts designated as a Participating Area under Article 9 to allocate Unitized Substances produced from a Reservoir.
- 1.13 **Participating Area Expense** means all costs, expenses or indebtedness that are incurred by the Unit Operator for production from or operations in a Participating Area and allocated to the Unit Tracts in that Participating Area.
- 1.14 **Paying Quantities** means a quantity of Unitized Substances sufficient to yield a return in excess of operating costs, even if drilling and equipment costs will never be repaid and the undertaking considered as a whole will ultimately result in a loss. The quantity is insufficient to yield a return in excess of operating costs unless it will produce sufficient revenue, not considering transportation and marketing, to induce a prudent operator to produce it.
- 1.15 **President** means the President of Cook Inlet Region, Inc., or the President's designee.
- 1.16 **Private Lease** means an oil and gas lease covering only land other than CIRI Land or State Land.
- 1.17 **Proper Authority** means, depending upon the context, the Commissioner, or the President, or both, who has jurisdiction, which, unless otherwise specified, shall generally be deemed to be (a) the President, if only CIRI Land is directly implicated; (b) the Commissioner, if only State Land or Third Party Land is

directly implicated; and (c) the President and the Commissioner if State or Third Party Land, and CIRC Land are directly implicated.

- 1.18 **Reservoir** means that part of the Unit Area containing an accumulation of Unitized Substances which has been discovered by drilling and evaluated by testing a well or wells, and which is geologically separate from and not in hydrocarbon communication with any other oil and gas accumulation.
- 1.19 **Royalty Interest** means an ownership right to or interest in the proceeds or value of Unitized Substances other than a Working Interest.
- 1.20 **State** means the State of Alaska acting in this Agreement through the Commissioner.
- 1.21 **State Land** means land in which the State owns the oil, gas and minerals in and under the land.
- 1.22 **State Lease** means an oil and gas lease covering only State Land.
- 1.23 **Sustained Unit Production** means continuing production of Unitized Substances from a well in the Unit Area into production facilities and transportation from the Unit Area to market, but does not include testing, evaluation, or pilot production.
- 1.24 **Third Party Land** means land in and under which a Leasehold Royalty Owner other than CIRC or the State owns the oil, gas and minerals.
- 1.25 **Unit Area** means the lands subject to this Agreement and described in Exhibit A and depicted in Exhibit B to this Agreement, submerged or not.
- 1.26 **Unit Equipment** means all personal property, lease and well equipment, plants, platforms and other facilities and equipment used, taken over or otherwise acquired for use in Unit Operations.
- 1.27 **Unit Expense** means all costs, expenses or indebtedness incurred by the Unit Operator for Unit Operations, except for Participating Area Expense.
- 1.28 **Unit Operating Agreement** means the agreement(s) entered into by the Unit Operator and the Working Interest Owners, as described in Article 7.
- 1.29 **Unit Operations** means all operations conducted in accordance with an Approved Unit Plan or Approved Unit Plans.
- 1.30 **Unit Operator** means the party designated by the Working Interest Owners and approved by the Commissioner and the President to conduct Unit Operations.

- 1.31 **Unit Plan** means a unit plan of exploration or unit plan of development as described in Article 8.
- 1.32 **Unit Tract** means each separate parcel that is described in Exhibit A and given a Unit Tract number.
- 1.33 **Unit Tract Participation** means the percentage allocation credited to a Unit Tract in a Participating Area to allocate Unitized Substances as provided for in Section 9.2.
- 1.34 **Unitized Substances** means all oil, gas and associated substances as defined in leases committed to the Unit Area or as produced from the Unit Area.
- 1.35 **Working Interest** means the right to explore for, drill for, develop or produce Unitized Substances, or cause Unitized Substances to be explored for, drilled for, developed or produced.
- 1.36 **Working Interest Owner** means a party who owns a Working Interest.

ARTICLE 2: EXHIBITS

2.1 The following Exhibits are to be attached to and made a part of this Agreement. When this Agreement is approved, only Exhibits A, B, and G are required. Exhibit F is also required when this Agreement is approved, if the Unit Area includes Net Profit Share Leases. The Unit Operator shall supply all Exhibits.

2.2 Exhibit A is a schedule that identifies and describes each Unit Tract, shows the Working Interest ownership of Oil and Gas Rights in each Unit Tract, and shows the Royalty Interests and net profit share rates applicable to each Unit Tract. Within thirty days after approval by the Commissioner and the President of any expansion or contraction of the Unit Area under Article 14 or any change of the Working Interest or Royalty Interest in any Unit Tract, the Unit Operator shall submit a revised Exhibit A to the Commissioner and to the President.

2.3 Exhibit B is a map that shows the boundary lines of the Unit Area and of each of the Unit Tracts. Within thirty days after the Commissioner and the President approve any expansion or contraction of the Unit Area under Article 14, the Unit Operator shall submit a revised Exhibit B.

2.4 Exhibit C is a schedule that identifies and describes a Participating Area established under this Agreement, including schedules showing Unit Tract numbers, legal descriptions, lease numbers, Working Interest and Royalty Interest ownership, and Unit Tract Participation. Separate Exhibits shall be prepared for each separate Participating Area established in the Unit Area. An original or revised conforming Exhibit C shall be submitted to

the Commissioner and the President within thirty days of: 1) the effective date of any Participating Area, 2) any expansion or contraction of a Participating Area, 3) any division of interest or allocation formula establishing or revising the Unit Tract Participation of any Unit Tract or Unit Tracts in a Participating Area, or 4) any change of the Working Interest or Royalty Interest in any Unit Tract.

2.5 Exhibit D is a map showing the boundary lines of a Participating Area and the Unit Tracts in that Participating Area. Separate Exhibits shall be prepared for each Participating Area. Within thirty days of the effective date of any Participating Area or any expansion or contraction of a Participating Area, the Unit Operator shall submit an original or revised Exhibit D to the Commissioner and the President.

2.6 Exhibit E is a schedule that describes the allocation of Participating Area Expense to each Unit Tract in the Participating Area. Separate Exhibits shall be prepared for each Participating Area. The Unit Operator shall submit an initial or revised Exhibit E to the Commissioner and the President whenever an initial or revised Exhibit C is required.

2.7 Exhibit F is a schedule that describes the allocation of Unit Expense to each Unit Tract in the Unit Area. The Unit Operator shall submit an initial or revised Exhibit F to the Commissioner and the President whenever an initial or revised Exhibit C is required. The Unit Operator may submit a revised Exhibit F anytime, but any revisions to Exhibit F are not effective until approved by the Proper Authority.

2.8 Exhibit G is the Unit Plan required under Article 8 of this Agreement.

ARTICLE 3: CREATION AND EFFECT OF UNIT

3.1. All Oil and Gas Rights in and to the lands described in Exhibit A and shown in Exhibit B are subject to this Agreement so that, subject to the provisions of Section 3.5, Unit Operations will be conducted as if the Unit Area were a single lease area.

3.2. So long as this unit remains in effect, each lease committed to this Agreement shall continue in effect.

3.3. Where only part of a State or CIRC Lease is committed to this Agreement, the lease is severed. The uncommitted portion of the lease will be treated as a separate and distinct lease with the same effective date and term as the original lease. It will be maintained in accordance with the terms of the original lease and any applicable statutes and regulations. Any uncommitted portion of a lease will not be affected by the unitization or pooling of any other portion of the lease, by operations in or production of Unitized Substances, or by suspension approved or ordered for the Unit by the Proper Authority.

3.4. Production of Unitized Substances in Paying Quantities from any part of a Participating Area shall be considered production from each Unit Tract in the Participating Area.

It shall cause the portion of each lease that is either wholly or partially within the Participating Area to continue in effect as if a well were producing from each Unit Tract in the Participating Area.

3.5. The provisions of the various leases and agreements pertaining to the respective leases or production from those leases are amended only to the limited extent necessary to make them conform to the written provisions of this Agreement. Otherwise, those leases and agreements shall remain in full force and effect.

3.6. This Agreement shall not be construed to transfer title to Oil and Gas Rights or Royalty Interests by any party to any other party or to the Unit Operator.

3.7. The Unit Operator shall have the same rights to use of the surface and the subsurface and any other rights that are granted in the respective leases. To the extent feasible the Unit Operator shall minimize and consolidate surface facilities to minimize surface impacts.

3.8. All Unit Equipment and any other lease or well equipment, materials, and other facilities placed by the Unit Operator or any other Working Interest Owner in the Unit Area shall be and remain its personal property. The personal property may be removed by the Unit Operator or Working Interest Owner who owns it. The rights, obligations, and interests in Unit Equipment or in a Working Interest Owner's personal property in the Unit Area will be addressed in the Unit Operating Agreement.

3.9. All record owners of any right, title or interest in the Unit Area must be invited to join this Agreement.

3.10. All data and information determined by the President or the Commissioner to be necessary for the administration of this Agreement or for the performance of statutory responsibilities shall be provided by the Unit Operator, or Working Interest Owners, or both, to the requesting authority upon written request. The data and information shall be submitted to the Proper Authority regardless of whether the requested data and information pertains to State, CIRM, or Third Party Land. All data and information provided to the President or the Commissioner shall be protected from disclosure pursuant to the leases, governing law, and regulations, except the President and Commissioner may disclose to each other all data and information provided under this Section 3.10.

ARTICLE 4: DESIGNATION OF UNIT OPERATOR

4.1. Union Oil Company of California (Unocal) is designated as the Unit Operator. Unocal agrees to accept the rights and obligations of the Unit Operator to conduct Unit Operations and to explore for, develop and produce Unitized Substances as provided in this Agreement.

4.2. Except as otherwise provided in this Agreement and subject to the terms and conditions of Approved Unit Plans, the exclusive rights and obligations of the Working Interest Owners to conduct operations to explore for, develop and produce Unitized Substances in the Unit Area are delegated to and shall be exercised by the Unit Operator. This delegation does not relieve a lessee of the obligation to comply with all lease terms. The Unit Operator shall notify the other Working Interest Owners, the Commissioner and the President of actions taken by the Unit Operator under this Agreement.

ARTICLE 5: RESIGNATION OR REMOVAL OF UNIT OPERATOR

5.1. The Unit Operator shall have the right to resign at any time. The Unit Operator's resignation shall not become effective until: 1) sixty days have passed since the Unit Operator delivers a written notice of an intention to resign to the Working Interest Owners, to the Commissioner, and to the President; and 2) all artificial islands, installations and other devices, including wells, used for operations in the Unit Area are in a condition satisfactory to the Commissioner and the President for suspension or abandonment of operations. However, if a successor Unit Operator is designated and approved under Article 6, the resignation is effective when approved by the Commissioner and the President.

5.2. The Unit Operator may be removed as provided in the Unit Operating Agreement. This removal shall not be effective until: 1) the Working Interest Owners notify the Commissioner, the President, and the Unit Operator; and 2) the Commissioner and the President approve a successor Unit Operator.

5.3. The resignation or removal of the Unit Operator shall not release it from liability for any failure to meet obligations that accrued before the effective date of the resignation or removal.

5.4. The resignation or removal of the Unit Operator does not terminate its rights, title or interest or obligations as a Working Interest Owner or other interest in the Unit Area. A termination of the Unit Operator's rights, title or interest may occur independently under the terms of the leases and governing law. When the resignation or removal of the Unit Operator becomes effective, the Unit Operator shall relinquish possession of all Unit Equipment, artificial islands, wells, installations, devices, records, and any other assets used for conducting Unit Operations, whether or not located in the Unit Area, to the successor Unit Operator.

ARTICLE 6: SUCCESSOR UNIT OPERATOR

6.1. Whenever the Unit Operator tenders its resignation as Unit Operator or is removed as provided in Article 5, a successor Unit Operator may be designated as provided in the Unit Operating Agreement. The successor Unit Operator must accept the rights and obligations of a Unit Operator in writing. The successor Unit Operator shall file executed originals of the designation of successor with the Commissioner and the President. The

designation of successor Unit Operator will not become effective until approved by the Commissioner and the President.

6.2. If no successor Unit Operator is designated within sixty days after notice to the Commissioner, the President, and other Leasehold Royalty Owners of the resignation or removal of a Unit Operator, the Commissioner and the President may designate another Working Interest Owner as successor Unit Operator, or declare this Agreement terminated.

ARTICLE 7: UNIT OPERATING AGREEMENT

7.1. The Working Interest Owners and the Unit Operator shall enter into a Unit Operating Agreement. It will apportion all costs and liabilities incurred in maintaining or conducting Unit Operations among the Working Interest Owners. The Unit Operating Agreement will also apportion the benefits that will accrue from Unit Operations among the Working Interest Owners.

7.2. Any allocations described in the Unit Operating Agreement will not bind the State, CIRI, or any other owner of Royalty Interests in determining or settling Royalty Interests. Allocations of Unit Expense, Participating Area Expense, or Unitized Substances for determining, settling and paying Royalty Interests will be based on Exhibits C, E and F of this Agreement, and must be approved by the Proper Authority in writing before taking effect.

7.3. The Working Interest Owners and the Unit Operator may establish, through one or more Unit Operating Agreements and amendments, other rights and obligations between the Unit Operator and the Working Interest Owners. The Unit Operating Agreement will not modify any term or obligation of this Agreement. If the terms of this Agreement and the Unit Operating Agreement conflict, this Agreement will prevail.

7.4. Any Working Interest Owner is entitled to drill a well on the unitized portion of its lease when the Unit Operator declines to drill that well. A Working Interest Owner must have an approved permit to drill and the well must be part of an Approved Unit Plan. If the Proper Authority determines any such well to be capable of producing Unitized Substances in Paying Quantities, the land upon which that well is situated will be included in a Participating Area. The Participating Area will be formed or enlarged as provided in this Agreement. The Unit Operator will thereafter operate the well in accordance with this Agreement and the Unit Operating Agreement.

7.5. The Unit Operator shall file executed copies of the Unit Operating Agreement with the Commissioner and the President when this Agreement is filed for approval. The copies of the Unit Operating Agreement are for informational purposes only. Approval of the Unit Agreement is not approval of the Unit Operating Agreement. Complete copies of all other Unit Operating Agreements and any amendments to them will also be filed with the Commissioner and the President at least thirty days before their effective dates.

ARTICLE 8: PLANS OF EXPLORATION, DEVELOPMENT AND OPERATIONS

8.1. Any Unit Plan and any amendment will not be effective until the Commissioner and the President approve it. Approved Unit Plans are incorporated into this Agreement and become effective on the date of their approval.

8.1.1. A Unit Plan of Exploration (“Plan of Exploration”) shall describe the proposed exploration and delineation activities for any land in the Unit Area that is not in a Participating Area. Plans of Exploration shall comply with 11 AAC 83.341 and the leases. The Unit Operator shall submit updated Plans of Exploration to the Commissioner and the President for approval at least sixty days before the current Plan of Exploration expires.

8.1.2. A Unit Plan of Development (“Plan of Development”) shall include a description of the proposed development activities based on data available when the plan is submitted. Plans of Development shall comply with 11 AAC 83.343 and the leases. The Unit Operator shall submit updated Plans of Development to the Commissioner and the President for approval at least ninety days before the current Plan of Development expires.

8.1.3. When this Agreement is submitted to the Commissioner and the President for approval, an initial Plan of Development or an initial Plan of Exploration (collectively called the “Initial Unit Plan”) shall be submitted for approval by the Commissioner and the President.

8.2. The Unit Operator shall not explore, develop or produce on the Unit Area except in accordance with an Approved Unit Plan. The Unit Operator shall also obtain approval of a plan of operations, and any other permits and approvals required before operations begin. A plan of operations must be consistent with the leases, mitigation measures, and lessee advisories developed for the most recent areawide lease sale in the region that includes the unit. The Unit Operator shall submit complete copies of all such applications to the Commissioner and the President.

8.2.1. Plans of operations, applications for permits to drill, and other applications pertaining to proposed activities located only on and under State or Third Party Land must be submitted to and approval obtained from the State agency normally receiving such applications prior to commencement of operations as provided under 11 AAC 83.346 and 20 AAC 25 or other State regulation.

8.2.2. Plans of operations, applications for permits to drill, and other applications pertaining to proposed activities located only on and under CIRI Land must be submitted to and approval obtained from the President prior to commencement of operations as provided under the CIRI Lease.

8.2.3. Plans of operations, applications for permits to drill, and other applications pertaining to proposed activities located on and under State or Third Party Land, and CIRI Land must be submitted to and approval obtained from CIRI and the State agency normally receiving that type of application prior to commencement of operations.

8.2.4. Copies of applications submitted for approval to the Commissioner or the President shall be furnished to both the Commissioner and the President, regardless of whether their approval is required.

8.3. After Sustained Unit Production in Paying Quantities begins, Unit Operations shall be maintained, with lapses of no more than ninety days per lapse between operations. The lapse may be longer if suspension of operations or production has been ordered or approved by the Proper Authority. Approved Unit Plans may call for a suspension of Unit Operations if reasonably based.

8.4. After giving written notice to the Unit Operator and an opportunity to be heard, the Proper Authority may require the Unit Operator to modify the rate of exploration, development or production from the Unit Area to conform to rates, which would be undertaken by a reasonable and prudent operator under similar circumstances.

8.5. If a well has been or is being drilled within the Unit Area, that well will be considered a Unit Well on the Effective Date of this Agreement.

8.6. The Proper Authority may approve any injection of Outside Substances or Outside PA Substances within the Unit Area. Any injection of Outside Substances or Outside PA Substances within the Unit Area must be part of an Approved Unit Plan.

ARTICLE 9: PARTICIPATING AREAS

9.1. The Unit Operator shall submit a request for approval of the proposed initial Participating Area to the Proper Authority at least six months before commencement of Sustained Unit Production from a Reservoir in the Unit Area. A Participating Area shall include only land that is reasonably known to be underlain by Unitized Substances and known or reasonably estimated through the use of geological, geophysical and engineering data to be capable of producing or contributing to production of Unitized Substances in Paying Quantities. The Unit Operator shall receive approval from the Proper Authority before commencement of Sustained Unit Production. The Unit Operator shall notify the Proper Authority before commencement of Sustained Unit Production from each Participating Area.

9.1.1. If the Reservoir into which a unit well certified as capable of producing hydrocarbons in Paying Quantities is drilled lies completely under State or Third Party Land, the application for a Participating Area or any revision to that Participating Area for that Reservoir shall be made to the Commissioner. If the

Reservoir into which a unit well certified as capable of producing hydrocarbons in Paying Quantities is drilled lies completely under CIRC Land, the application for a Participating Area or any revision to that Participating Area for that Reservoir shall be made to the President. If the Reservoir into which a unit well certified as capable of producing hydrocarbons in Paying Quantities is drilled lies under both State or Third Party Land, and CIRC Land, the application for a Participating Area or any revision to a Participating Area for that Reservoir shall be made to both the Commissioner and the President.

9.1.2. Prior to the submission of an application to either the Commissioner, or the President, but not both, as set out in Article 9.1.1, the Unit Operator must make a showing to the Commissioner and the President that the Reservoir underlies either State or Third Party Land, or CIRC Land, but not both. Both the Commissioner and the President must agree with and approve such showing before an application for a Participating Area can be made to either the Commissioner, or the President, but not both.

9.2. Each application for approval of a Participating Area shall include Exhibits C, D, E and F. Exhibit C shall include a division of interest that allocates Unit Tract Participation within the proposed Participating Area in accordance with Article 11. Exhibit E shall include a formula for allocating Participating Area Expense in proportion to Unit Tract Participation of the respective Unit Tracts. Exhibit F shall include a formula for allocating Unit Expense. If approved by the Proper Authority, the area described in Exhibits C and D shall be a Participating Area, and the allocation of Participating Area Expenses and Unit Expenses described in Exhibits E, F and G shall be effective on the effective date of the Participating Area.

9.3. A separate Participating Area shall be established for each Reservoir in the Unit Area. If one Reservoir underlies another Reservoir in whole or in part, separate Participating Areas may be created for each Reservoir. Any two or more Reservoirs or Participating Areas may be combined into one Participating Area if approved by the Proper Authority.

9.4. At the Unit Operator's election or if so directed by the Proper Authority, the Unit Operator shall apply to expand or contract the Participating Area if expansion or contraction is warranted by geologic, geophysical, and engineering data. Each application for expansion or contraction of a Participating Area shall include Exhibits C, D, E, F, and G. The application must be submitted to the Proper Authority for approval. Before any directed expansion or contraction of the Participating Area, the Proper Authority will give the Unit Operator reasonable notice and an opportunity to be heard.

9.5. The Proper Authority will establish the effective date of the initial Participating Area. That effective date shall be no later than the date of the first Sustained Unit Production. The Proper Authority will establish the effective date of each later Participating Area.

9.6. Land in a Participating Area shall remain in that Participating Area even if its Unitized Substances are depleted.

9.7. If the Working Interest Owners cannot agree on the fair, reasonable and equitable allocation of production or costs, the Proper Authority shall prescribe an equitable allocation.

9.8. A Unitized Substance produced from one Participating Area ("Originating Participating Area") may be used as an Outside PA Substance ("Injected Substance") for repressuring, recycling, storage or enhanced recovery purposes in another Participating Area ("Receiving Participating Area") only if the Leasehold Royalty Owners are paid as if the Unitized Substance was sold by the Working Interest Owners.

9.8.1. If the Proper Authority consents to the transfer of Unitized Substances between Participating Areas without immediate payment of royalties, the Unit Operator shall provide monthly reports to the Leasehold Royalty Owners in both the Originating and Receiving Participating Areas. These monthly reports shall reflect the volumes of any Unitized Substance transferred and the British thermal units ("Btus") in any natural gas Unitized Substance transferred as an Outside PA Substance during the preceding month.

9.8.2. The Working Interest Owners shall pay all Leasehold Royalty Owners in the Originating Participating Area for their Royalty Interests in the volumes of a Unitized Substance injected as an Outside PA Substance in a Receiving Participating Area when the volumes of Unitized Substance are produced from the Receiving Participating Area. The first natural gas Unitized Substances produced and sold from the Receiving Participating Area shall be considered to be the Injected Substances until a volume of natural gas containing Btus equal to the Btus contained in the Injected Substances is produced and sold from the Receiving Participating Area. All the Unitized Substances produced and sold from a Receiving Participating Area that are considered to be the Injected Substance shall be allocated to the Originating Participating Area. The Working Interest Owners shall pay each Leasehold Royalty Owner in the Originating Participating Area for its Royalty Interest share of Injected Substances produced and sold from a Receiving Participating Area as if those Injected Substances were produced and sold from the Originating Participating Area when they were produced from the Receiving Participating Area.

9.8.3. Commercial storage shall be covered by separate agreement with the Proper Authority.

9.9. All liquid hydrocarbons removed in any equipment or facility in Alaska from produced Injected Substances and not used for fuel within the Unit Area shall be allocated to the Receiving Participating Area. If liquid hydrocarbons are removed from the natural gas, the Btu content of the natural gas shall be measured after liquid hydrocarbons are removed.

9.10. Subject to Section 8.6, the Proper Authority shall approve the deemed recovery rate and commencement date for recovery before any Outside Substance or Outside PA Substance is injected within the Unit Area.

9.11. After giving written notice to the Unit Operator and an opportunity to be heard, the Proper Authority may require the Unit Operator to modify the rate of exploration, development or production from a Participating Area to conform to rates that would be undertaken by a reasonable and prudent operator under similar circumstances.

ARTICLE 10: OFFSET WELLS

10.1 The Unit Operator shall drill such wells as a reasonable and prudent operator would drill to protect the Leasehold Royalty Owners within the Unit Area from loss by reason of drainage resulting from production on other land. Without limiting the generality of the foregoing sentence, if oil or gas is produced in a well on other land not owned by the Leasehold Royalty Owner or on which the Leasehold Royalty Owner receives a lower rate of royalty than under any lease in the Unit, and that well is within 500 feet in the case of an oil well or 1,500 feet in the case of a gas well of lands then subject to this Agreement, and that well produces oil or gas for a period of 30 consecutive days in quantities that would appear to a reasonable and prudent operator to be sufficient to recover ordinary costs of drilling, completing, and producing an additional well in the same geological structure at an offset location with a reasonable profit to the operator, and if, after notice to the Unit Operator and an opportunity to be heard, the Proper Authority finds that production from that well is draining lands then subject to this Agreement, the Unit Operator shall within 30 days after written demand by the Proper Authority begin in good faith and diligently prosecute drilling operations for an offset well on the leased area. In lieu of drilling any well required by this paragraph, the Working Interest Owners may, with the Proper Authority's consent, compensate the Leasehold Royalty Owner in full each month for the estimated loss of royalty through drainage in the amount determined by the Proper Authority. Where it is not reasonable and prudent for the Unit Operator to drill an offset well to protect the Leasehold Royalty Owner from loss by reason of drainage resulting from production on other land, the Working Interest Owners shall nonetheless compensate the Leasehold Royalty Owner in full each month for the estimated loss of royalty through drainage in an amount determined by the Proper Authority.

ARTICLE 11: ALLOCATION OF PRODUCTION

11.1. The Unit Operator shall submit a proposed allocation plan, with supporting data, to the Proper Authority for approval. The Unit Operator will provide copies of the proposed allocation plan to all other Leasehold Royalty Owners. The Proper Authority may revise the proposed allocation plan if it does not equitably allocate production and costs from the Reservoir. The Proper Authority will give the Working Interest Owners and other Leasehold Royalty Owners reasonable notice and an opportunity to be heard before revising the Unit Operator's proposal. The allocation plan must be revised whenever a Participating Area is expanded or contracted.

11.2. The Working Interest Owners shall pay for Royalty Interests in each Unit Tract in proportion to each Working Interest Owner's ownership in that Unit Tract. The amount of

Unitized Substances allocated to each Unit Tract shall be deemed to have been produced from that Unit Tract.

11.3. The Working Interest Owners may allocate Unitized Substances, Participating Area Expense, and Unit Expense differently than described in Exhibits C, E and F. However, that allocation shall not be effective for determining the Royalty Interest payment. The Unit Operator shall submit any allocation, which is different than the allocations required in Exhibit C, E or F to the Proper Authority within ten days of its effective date with a statement explaining the reason for the different allocation.

11.4. No payment shall be due or payable to Leasehold Royalty Owners for their Royalty Interest in the portion of Unitized Substances used for development or production within the Unit Area or production unavoidably lost. This exemption does not apply to Unitized Substances that are sold, traded or assigned, including sales, transactions, or assignments among the Working Interest Owners. Gas that is flared for any reason other than for safety purposes as allowed by the AOGCC shall not be deemed to be unavoidably lost, and the Working Interest Owners shall pay for Royalty for such flared gas as if it had been produced.

11.5. If a State Lease committed to this Agreement provides for a discovery royalty rate reduction for the first discovery of oil or gas that lease provision shall not apply to a well spudded after the Effective Date.

ARTICLE 12: CIRI LEASES, RENTALS AND ROYALTY INTEREST PAYMENTS

12.1 The Working Interest Owners of CIRI Leases shall pay rentals and royalty, including minimum royalty and shut-in royalty, payments due under CIRI Leases as provided therein.

12.2 Each month, the Unit Operator shall furnish a schedule to CIRI. That schedule shall specify, for the previous month: (1) the total amount of Unitized Substances produced; (2) the amount of Unitized Substances used for development and production or unavoidably lost; (3) the total amount of Unitized Substances allocated to each Unit Tract; (4) the amount of Unitized Substances allocated to each Unit Tract and delivered in kind as royalty to each Leasehold Royalty Owner; and (5) the amount of Unitized Substances allocated to each Unit Tract attributable to royalty of CIRI and other Leasehold Royalty Owners for which royalty is to be or has been paid.

12.3 Each Working Interest Owner under a CIRI Lease shall pay its share of the royalty interest obligation due to CIRI on Unitized Substances as provided under the terms of the CIRI Lease.

12.4 The Unit Operator shall give CIRI written notice of the anticipated date for commencement of production at least six months (6) before the commencement of Sustained Unit Production from the Unit Area. CIRI shall give the Working Interest Owners at least 90

day's written notice of any election (s) by CIRC to take in kind all, a specified percentage, or a specified quantity of CIRC's royalty interest share in any Unitized Substances produced from the Unit Area. CIRC may, in its discretion, increase or decrease (including ceasing to take royalty interest Unitized Substances in kind) the amount of royalty interest share of Unitized Substances CIRC takes in kind, by giving written notice to the relevant Working Interest Owners at least 90 days before the first day of the month in which such increase, decrease, or cessation is to be effective.

12.5 The Unit Operator shall deliver CIRC's royalty-in-kind gas for Unitized Substances produced from the Unit Area, if any, at the custody transfer meter at the point where such Unitized Substances first enters a common carrier pipeline unless another point is mutually agreed upon in writing by CIRC and the relevant Working Interest Owners pursuant to the CIRC Lease terms. CIRC shall, in its discretion, designate any individual, firm or corporation to accept delivery. Unless transportation by common carrier, the cost to CIRC for transportation of royalty-in-kind gas beyond the Unit Area exceed the limit on such costs as specified in the CIRC Lease or 30% of the net sales price of the Unitized Substances, whichever is the lesser cost.

12.6 The Unit Operator shall maintain records of all development and production of Unitized Substances. Each Working Interest Owner shall maintain records of the disposition of its portion of the Unitized Substances, including records of sales prices, volumes and purchasers for seven years after the date of said disposition. The Unit Operator and the Working Interest Owners shall make available for inspection by CIRC, such relevant books and records, at Unit Operator's offices in Anchorage, Alaska, at all reasonable times upon prior written request. Such books and records may be provided in an electronic format. The Unit Operator and Working Interest Owners shall use generally accepted accounting principles.

ARTICLE 13: STATE AND PRIVATE LEASES, RENTALS AND ROYALTY INTEREST PAYMENTS

13.1. The Working Interest Owners of State and Private Leases shall pay rentals and royalty payments due under those leases to the Leasehold Royalty Owner. Those payments must be made to any depository designated by the payee with at least sixty days notice to the Unit Operator and the Working Interest Owners.

13.2. Each month, the Unit Operator shall furnish a schedule to the Leasehold Royalty Owners. That schedule shall specify, for the previous month: 1) the total amount of Unitized Substances produced; 2) the amount of Unitized Substances used for development and production or unavoidably lost; 3) the total amount of Unitized Substances allocated to each Unit Tract 4) the amount of Unitized Substances allocated to each Unit Tract and delivered in kind as Royalty Interests to each Leasehold Royalty Owner; and 5) the amount of Unitized Substances allocated to each Unit Tract attributable to Royalty Interests of the State and other Leasehold Royalty Owners for which royalty is to be or has been paid.

13.3. Each Working Interest Owner under a State Lease or Private Lease shall pay for its share of the Royalty Interest of the State or other Leasehold Royalty Owners as applicable, on Unitized Substances as provided under the terms of each respective lease, except that any reference in a State Lease to the “leased area” shall mean Unit Area, and “oil, gas, or associated substances” shall mean Unitized Substances.

13.4. Notwithstanding any contrary lease term, Royalty Interests and the share of Unitized Substances attributable to Royalty Interests and any payment due must be paid free and clear of all lease expenses, Unit Expenses and Participating Area Expenses. These excluded expenses include, but are not limited to, separating, cleaning, dehydration, saltwater removal, processing, and manufacturing costs. These excluded expenses also include the costs of preparing the Unitized Substances for transportation off the Unit Area and gathering and transportation costs incurred before the Unitized Substances are delivered to a common carrier pipeline. No lien for any of the excluded expenses shall attach to the Royalty Interest Unitized Substances. Tariff charges paid to a common carrier pipeline will be deducted from payments for Royalty Interest shares. The Royalty Interest share shall bear a proportionate part of any gas shrinkage that occurs during gas processing.

13.5. If any Working Interest Owner fails to pay its Royalty Interest due to the State or another Leasehold Royalty Owner after thirty days written notice, the State and other Leasehold Royalty Owners shall have all rights and remedies available to them under law, the lease and this Agreement.

13.6. The Unit Operator shall give the Commissioner notice of the anticipated date for commencement of production at least six months before the commencement of Sustained Unit Production from a Participating Area. Within ninety days of receipt of that notice, the Commissioner will give the Working Interest Owners written notice of its elections to take in kind all, none, a specified percentage, or a specified quantity of its Royalty Interest in any Unitized Substances produced from the Participating Area. The Commissioner will, in his or her discretion, increase or decrease (including ceasing to take Royalty Interest Unitized Substances in kind) the amount of Royalty Interest Unitized Substances the State takes in kind. The Commissioner shall give written notice to the Working Interest Owners ninety days before the first day of the month in which an increase or decrease is to be effective.

13.6.1. The Commissioner may elect to specify the Unit Tracts from which Royalty Interest Unitized Substances taken in kind are to be allocated.

13.6.2. The Unit Operator shall deliver the State’s Royalty Interest Unitized Substances at the custody transfer meter at a common carrier pipeline capable of carrying those substances, or at any other place mutually agreeable place. The State will, in its discretion, designate any individual, firm or corporation to accept delivery.

13.6.3. Royalty Interest Unitized Substances delivered in kind shall be delivered in good and merchantable condition and be of pipeline quality. Those substances shall be free and clear of all lease expenses, Unit Expenses and Participating Area Expenses and free of any lien for these excluded Expenses. These excluded expenses

include, but are not limited to, expenses for separating, cleaning, dehydration, saltwater removal, processing, and manufacturing. These excluded expenses also include the costs of preparing the Unitized Substances for transportation off the Unit Area and gathering and transportation costs incurred before Unitized Substances are delivered in to a common carrier pipeline. If a Working Interest Owner processes the Unitized Substances to separate, extract or remove liquids from a Working Interest Owner's share of natural gas Unitized Substances, the State will, in its discretion, require that a Working Interest Owner also process the State's share of natural gas being taken in kind in the same manner without cost to the State. Under these circumstances, the State, or its buyer, shall only pay any tariffed transportation costs and shrinkage of the volume of gas resulting from processing.

13.6.4. Each Working Interest Owner shall furnish storage in or near the Unit Area for the State's share of Unitized Substances to the same extent that the Working Interest Owner provides storage for its own share of Unitized Substances.

13.7. If a purchaser of the State's Royalty Interest Unitized Substances does not take delivery of Unitized Substances, the State will, in its discretion elect, without penalty, to underlift for up to six months. The State shall give the Unit Operator reasonable notice. The State will, in its discretion, underlift all or a portion of those substances. The State's right to underlift is limited to the portion of those substances that the purchaser did not take delivery of or what is necessary to meet an emergency condition. The State shall give the Unit Operator written notice thirty days before the first day of the month in which the underlifted Royalty Interest Unitized Substances are recovered. The State will, in its discretion, recover at a daily rate not exceeding 25 percent (25%) of its share of daily production, unless otherwise agreed.

13.8. The Unit Operator shall maintain records, including expense records, of all development and production of Unitized Substances. Each Working Interest Owner shall maintain records of the disposition of its portion of the Unitized Substances that include records of sales prices, volumes and purchasers. The Unit Operator and the Working Interest Owners shall permit the Commissioner to examine those books and records at all reasonable times. Those books and records must be made available to the Commissioner in Anchorage, Alaska, upon request. They may be provided in an electronic format. The Unit Operator and Working Interest Owners shall use generally accepted accounting procedures.

13.9. If a State Lease committed to this Agreement specifies the amount of rent due, that lease is amended to require that rentals due be calculated under AS 38.05.180(n), as amended. If a State Lease committed to this Agreement requires payment of minimum royalty, that lease is amended to delete that minimum royalty obligation. The rental due under state law, as amended, must be paid in lieu of minimum royalty.

13.10. All rights and obligations relating to the State's net profit share will be determined in accordance with 11 AAC 83.201 - 11 AAC 83.295, as amended, notwithstanding any contrary lease term. The State will, in its discretion, audit the net profit share reports or payments due for any lease within ten years of the date production of Unitized Substances in Paying Quantities commences. The period of limitations for the State to file a lawsuit relating to

an audit of a net profit share report or payment shall be three years longer than the audit period. The Working Interest Owners holding interests in net profit share leases shall maintain the records relevant to determination of net profit share until the audit period has expired.

ARTICLE 14: UNIT EXPANSION AND CONTRACTION

14.1 The Unit Operator, at its own election may, or at the direction of the Commissioner shall, apply to expand the Unit Area to include any additional lands determined to overlie a Reservoir that is at least partially within the Unit Area, or to include any additional lands that facilitate production. The Unit Operator shall notify the Working Interest Owners of the proposed expansion. The Commissioner and the President will give the Unit Operator and the Working Interest Owners of the affected leases reasonable notice and an opportunity to be heard before any directed expansion of the Unit Area. Any unit expansion shall not be effective until approved by the Commissioner and the President.

14.2 Ten years after Sustained Unit Production begins, the Unit Area must be contracted to include only those lands then included in an approved Participating Area and lands that facilitate production including the immediately adjacent lands necessary for secondary or tertiary recovery, pressure maintenance, reinjection, or cycling operations. The Commissioner and the President may delay contraction of the Unit Area if the circumstances so warrant. If any portion of a lease is included in the Participating Area, the portion of the lease outside the Participating Area will neither be severed nor will it continue to be subject to the terms and conditions of the unit. The portion of the lease outside the Participating Area will continue in full force and effect so long as production is allocated to the unitized portion of the lease and the lessee satisfies the remaining terms and conditions of the lease.

14.3 Not sooner than 10 years after the effective date of this Agreement, the Commissioner and the President may contract the Unit Area to include only that land covered by an Approved Unit Plan, or that area underlain by one or more oil or gas reservoirs or one or more potential hydrocarbon accumulations and lands that facilitate production. Before any contraction of the Unit Area under this Section, the Commissioner and the President will give the Unit Operator, the Working Interest Owners, and the Leasehold Royalty Owners of the leases or portions of leases being excluded reasonable notice and an opportunity to be heard.

14.4 The Unit Area may be contracted with the Commissioner and the President's approval and an affirmative vote of the Working Interest Owners.

ARTICLE 15: UNIT EFFECTIVE DATE, TERM AND TERMINATION

15.1 This Agreement is effective as of 12:01 a.m. on the day after the Commissioner and the President approve it. At least one copy of this Agreement shall be filed with the Department of Natural Resources, Anchorage, Alaska, one copy shall be filed with the AOGCC



and one copy shall be filed with CIRI. This Agreement is binding upon each party who signs any counterpart.

15.2 Subject to the terms and conditions of the Unit Plan, his Agreement terminates two years from the Effective Date unless:

15.2.1 A unit well in the Unit Area has been certified as capable of producing Unitized Substances in Paying Quantities; or

15.2.2 The Unit term is extended with the approval of the Commissioner and the President. An extension shall not exceed five years.

15.2.3 If the Commissioner and the President order or approve a suspension of production or other Unit Operations, this Agreement shall continue in force during the authorized suspension.

15.3 Nothing in this Article holds in abeyance the obligations to pay rentals, royalties, minimum royalties, shut-in royalties, or other production or profit-based payments to any Leasehold Royalty Owner from operations or production in any part of the Unit Area. Any seasonal restriction on operations or production or other condition required in the lease is not a suspension of operations or production required by law or force majeure.

15.4 This Agreement will be terminated by an affirmative vote of the Working Interest Owners and the Commissioner and President's approval.

ARTICLE 16: EFFECT OF CONTRACTION AND TERMINATION

16.1. If a lease or portion of a lease is contracted out of the Unit Area under this Agreement, then:

16.1.1 Any State Lease or portion of a State Lease eliminated from the Unit Area pursuant to this Agreement may be maintained only in accordance with State law and the State Lease; and

16.1.2 Any Private Lease or CIRI Lease or portion of a Private Lease or CIRI Lease eliminated from the Unit Area pursuant to this Agreement shall be maintained only in accordance with its terms and conditions.

16.2. Each State Lease committed to this Agreement on the day that this Agreement terminates shall remain in force for an extension period of ninety days, or any longer period which may be approved by the Commissioner. After the extension period expires, the State Lease will be maintained only in accordance with State law and the State Lease.

16.3. Upon termination of this Agreement, a Private or CIRC Lease, which was subject hereto may be continued in force and effect in accordance with the terms and conditions contained in the affected Private or CIRC Lease.

16.4. The Working Interest Owners shall restore and rehabilitate the surface of the leases to the Proper Authorities' satisfaction. The Working Interest Owners shall remove all materials, equipment and improvements from the Unit Area within one year after this Agreement terminates. However, the Proper Authority may extend the removal period. If the Working Interest Owners have not removed all materials, equipment and improvements from the Unit Area before the removal period expires, then the Working Interest Owners shall submit an audit report as defined in AS 9.25.490(a)(1) to the Commissioner and the President. The Proper Authority may either: (a) elect to keep any materials, equipment and improvements; or (b) elect to remove any or all of the materials, equipment and improvements at the Unit Operator's and the Working Interest Owners' expense. The Working Interest Owners shall assign full title to those materials, equipment and improvements to the Proper Authority if the Proper Authority elects to keep them. The Working Interest Owners shall ultimately be solely responsible, even after title has been transferred, for: 1) removal and salvage of those materials, equipment and improvements and restoration, and 2) rehabilitation of the surface after removal or salvage. The Working Interest Owners shall be responsible for all conditions identified in the audit report, and all conditions that should have been identified in the audit report.

16.5. In addition to Section 16.4, as to Unit Operations on a CIRC Lease, the Working Interest Owners shall abide by the terms and conditions of the "Rights Upon Termination" provision and the sub-paragraph entitled "Termination of Lease" under the "Environmental Provisions" of the CIRC Leases, and any other applicable CIRC Lease provisions.

ARTICLE 17: COUNTERPARTS

17.1. An owner of Oil and Gas Rights or a Royalty Interest will become a party to this Agreement by signing the original, or a counterpart, of this Agreement. The signing of a counterpart shall have the same effect as if all parties had signed a single original of this Agreement. The State and CIRC shall become a party to this Agreement after the Commissioner and the President have approved it and all other parties have signed it.

ARTICLE 18: LAWS AND REGULATIONS

18.1 This Agreement is subject to all applicable State laws, rules, regulations and orders in effect on the Effective Date and to all applicable State laws, rules, and regulations later adopted or enacted.

18.2 State Leases are subject to all valid applicable local laws and regulations in effect on the Effective Date of this Agreement, provided that those laws and regulations:

18.2.1 do not conflict with Federal or State statutes, regulations, or other law;

18.2.2 do not conflict with the provisions of this Agreement; and

18.2.3 do not conflict with the terms of any State Lease subject to this Agreement.

18.3 This Agreement's table of contents and the title headings are inserted for convenience only. They are not a part of this Agreement.

18.4 A judicial finding that any term or provision of this Agreement is unlawful or invalid shall not operate to invalidate this Agreement or any other valid term or provision of this Agreement, unless such finding materially affects the right of the parties hereunder.

18.5 The venue for any action relating to this Agreement shall be in the Third Judicial District at Anchorage, State of Alaska.

ARTICLE 19: APPEARANCES AND NOTICES

19.1. If the State or CIRI gives the Unit Operator a notice or order relating to this Agreement it shall be deemed given to all Working Interest Owners. All notices required by this Agreement shall be given in writing and delivered personally, or by United States mail or by facsimile machine to the Unit Operator at the address or facsimile number listed below. All notices actually received will also be deemed properly given. The Unit Operator will change its notice address by giving thirty days written notice to the Leasehold Royalty Owners and the other Working Interest Owners. The Leasehold Royalty Owners may change their notice addresses by giving thirty days written notice to the Unit Operator.

Address of the Unit Operator:

Union Oil Company of California
Attention: Land Manager
909 W. 9th Avenue (99501)
P.O. 196247
Anchorage, AK 99519-6247
Fax: (907) 263-7698

Address of the State:

Commissioner, Department of Natural Resources
550 W. 7th Avenue, Suite 1400
Anchorage, Alaska 99501
Fax: (907) 269-8918

with a copy to:

Director, Division of Oil and Gas
550 W. 7th Avenue, Suite 800
Anchorage, Alaska 99501
Fax: (907) 269-8938

Addresses of Other Leasehold Royalty Owners:

Cook Inlet Region, Inc.
Attention: Land Manager
2525 C Street, Suite 500
P.O. Box 93330
Anchorage, Alaska 99509-3330
Fax: (907) 263-5190

Addresses of Working Interest Owners other than Unit Operator:

ARTICLE 20: JOINDER

20.1. The Commissioner and the President may order or, upon request, approve a joinder to this Agreement under the expansion provisions of Article 14. The Unit Operator shall submit a request for joinder with a signed counterpart of this Agreement and a notice of proposed expansion under Article 14. A joinder is subject to the requirements of the Unit Operating Agreement. However, the Commissioner and the President may modify any provision in a Unit Operating Agreement that the Commissioner and the President find discriminates against parties who request joinder. The Commissioner and the President shall give notice and an opportunity to be heard to the Unit Operator before modifying the Unit Operating Agreement.

ARTICLE 21: DEFAULT

21.1. The Proper Authority may determine that failure of the Unit Operator or the Working Interest Owners to comply with any of the terms of this Agreement, including any Approved Unit Plan, is a default under this Agreement. The failure to comply because of force majeure is not a default.

21.2. The Proper Authority will give notice to the Unit Operator and the defaulting party of the default. The notice will describe the default, and include a demand to cure the default by a certain date. The cure period shall be at least thirty days for a failure to pay rentals or royalties and ninety days for any other default.

21.3. If there is no well capable of producing Unitized Substances in Paying Quantities and a default is not cured by the date indicated in the demand, the Commissioner and the President may terminate this Agreement after giving the Unit Operator and the defaulting party notice and an opportunity to be heard. The Commissioner and the President will give notice, by mail, of the termination, which is effective upon mailing the notice.

21.4. If there is a well capable of producing Unitized Substances in Paying Quantities and the default is not cured by the date indicated in the demand, the Commissioner and the President may seek to terminate this Agreement by judicial proceedings.

21.5. This Article's remedies are in addition to any other administrative or judicial remedy which is provided for by lease, this Agreement, or federal or State law.

IN WITNESS OF THE FOREGOING, the parties have executed this Unit Agreement on the dates opposite their respective signatures.

Signature blocks, witnesses and notary attestations, as necessary, for all parties:

*APPROVED on this ____ day of _____, _____ by _____,
Commissioner of State of Alaska, Department of Natural Resources.*

*APPROVED on this ____ day of _____, _____ by _____,
President, Cook Inlet Region, Inc.*

WORKING INTEREST OWNERS

UNION OIL COMPANY OF CALIFORNIA

By: _____

Kevin A. Tabler

Its: Attorney-in-Fact

Date: _____

By: _____

Date: _____

Its: _____

OVERRIDING ROYALTY INTEREST OWNERS

CIRI Production Company

By: _____

Kirk S. McGee

Its: President

Date: _____

STATE OF ALASKA

)

) ss.

THIRD JUDICIAL DISTRICT

)

THIS IS TO CERTIFY that the foregoing instrument was acknowledged before me this _____ day of _____, 2001, by _____ the Commissioner of Department of Natural Resources, on behalf of the State of Alaska.

Notary Public in and for the State of Alaska
My Commission Expires _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that the foregoing instrument was acknowledged before me this _____ day of _____, 2001, by Kevin A. Tabler the Attorney-in-Fact of Union Oil Company of California a California corporation, on behalf of said corporation.

Notary Public in and for the State of Alaska
My Commission Expires _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that the foregoing instrument was acknowledged before me this _____ day of _____, 2001, by Carl H. Marrs the President of Cook Inlet Region, Inc., an Alaskan corporation, on behalf of said corporation.

Notary Public in and for the State of Alaska
My Commission Expires _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that the foregoing instrument was acknowledged before me this _____ day of _____, 2001, by Kirk S. McGee the Vice-President of CIRI Production Company, an Alaskan corporation, on behalf of said corporation.

Notary Public in and for the State of Alaska
My Commission Expires _____

STATE OF ALASKA

)
) ss.

THIRD JUDICIAL DISTRICT

)

THIS IS TO CERTIFY that the foregoing instrument was acknowledged before me this _____ day of _____, 2001, by _____ the _____ of _____, on behalf of said corporation.

Notary Public in and for the State of Alaska
My Commission Expires _____